

AMENDED IN SENATE JULY 8, 2015
AMENDED IN ASSEMBLY JUNE 1, 2015
AMENDED IN ASSEMBLY APRIL 14, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1124

Introduced by Assembly Member Perea

February 27, 2015

An act to add Sections 5307.28 and 5307.29 to the Labor Code, relating to workers' compensation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1124, as amended, Perea. Workers' compensation: prescription medication formulary.

Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of employment. The administrative director is authorized to adopt, amend, or repeal, after public hearings, any rules and regulations that are reasonably necessary to enforce the state workers' compensation provisions, except when that power is specifically reserved to the Workers' Compensation Appeals Board.

This bill would require the administrative director to, on or before January 1, 2017, establish a formulary for medications prescribed in the workers' compensation system to be effective commencing July 1, 2017. *The bill requires the administrative director to revise the formulary before its effective date, as specified, and to publish any revisions on the Internet Web site of the Division of Workers' Compensation.* The bill would require the administrative director to

convene a Workers' Compensation Formulary Advisory Committee to assist in the development of the formulary, and would require the committee to study and make recommendations, as specified, on the development of a workers' compensation formulary in California.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 5307.28 is added to the Labor Code, to
2 read:

3 5307.28. (a) On or before January 1, 2017, the administrative
4 director shall establish a formulary for medications prescribed in
5 the workers' compensation system to be effective commencing
6 July 1, 2017.

7 (b) *The formulary shall be revised to adopt appropriate changes*
8 *no later than 60 days after the administrative director receives*
9 *recommendations from the Workers' Compensation Formulary*
10 *Advisory Committee and determines that evidence-based revisions*
11 *are warranted. The administrative director shall determine the*
12 *effective date of the changes, and shall issue an order, exempt*
13 *from Sections 5307.3 and 5307.4, and the rulemaking provisions*
14 *of the Administrative Procedure Act (Chapter 3.5 (commencing*
15 *with Section 11340) of Part 1 of Division 3 of Title 2 of the*
16 *Government Code), informing the public of the changes and their*
17 *effective date. All orders issued pursuant to this subdivision shall*
18 *be published on the Internet Web site of the Division of Workers'*
19 *Compensation.*

20 SEC. 2. Section 5307.29 is added to the Labor Code, to read:

21 5307.29. (a) The administrative director shall convene a
22 Workers' Compensation Formulary Advisory Committee to assist
23 in the development of a formulary pursuant to Section 5307.28.
24 The committee shall be composed of members appointed by the
25 director and shall include, but not be limited to, health care
26 providers, insurers, employers, pharmacists, ~~and injured worker~~
27 ~~representatives.~~ *attorneys who represent applicants, an appointee*
28 *of the Speaker of the Assembly, and an appointee of the Senate*
29 *Rules Committee.*

1 (b) The committee shall study and make recommendations on
2 the development of a workers' compensation formulary in
3 California.

4 (c) The committee shall convene on a quarterly basis and provide
5 its recommendations to the administrative director on or before
6 December 31, 2016.

7 ~~(d) The recommendations developed formulary established~~
8 ~~pursuant to subdivision (e) Section 5307.28 shall ensure all of the~~
9 following:

10 (1) Injured worker access to appropriate opioids, other pain
11 management prescriptions, and off-label prescription drugs, when
12 medically necessary.

13 (2) A gradual detoxification plan for a worker receiving
14 potentially addictive prescription drug treatment.

15 (3) Timely formulary updates that minimize delays involved in
16 adding new drugs to the formulary.

17 (4) *Injured worker access to nonformulary medication when*
18 *the only formulary medication available for a worker's covered*
19 *condition is one that the worker cannot tolerate or that is not*
20 *clinically effective for the worker; or when a provider determines*
21 *the medication needed by the worker should include abuse*
22 *deterrent properties. Exceptions to formulary medications as noted*
23 *in this section shall not be required absent a trial period and*
24 *issuance of a medical finding by the injured worker's provider*
25 *outlining the medical basis for the conclusion that the worker*
26 *cannot tolerate the formulary medication.*